Health Service
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director Strategic Planning

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners

www.dhs.lacounty.gov

June 18, 2013

REVISED

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
25 June 18, 2013
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

AMENDMENT TO MEDICAL SCHOOL AFFILIATION AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND THE UNIVERSITY OF SOUTHERN CALIFORNIA (1st SUPERVISORIAL DISTRICT) (3 VOTES)

SUBJECT

Request approval of an amendment to the Medical School Affiliation Agreement with the University of Southern California to adjust staffing levels, obtain participation of Medical School Affiliation Agreement providers as Subject Matter Experts in the design, build and implementation of the Department of Health Services' electronic health record system, and increase the maximum contract amount accordingly.

IT IS RECOMMENDED THAT THE BOARD:

1. Make a finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services at LAC+USC Medical Center (LAC+USC MC), as described herein, can continue to be performed more feasibly by contracting with the private sector.

2. Approve and instruct the Chairman to sign the attached Amendment No. 6 to Medical School Affiliation Agreement No. 75853 (MSAA) with the University of Southern California (USC) for the provision of physician medical education and patient care services, effective upon Board approval to: a) include additional purchased services to increase surgical, radiological and psychiatric capacity and cover various specialties resulting from attrition of County physicians; b) reduce purchased services to decrease pathology services for a physician returning to County service; c) reduce the net contract maximum to account for the

final effect of the Physician Pay Plan, d) enable Department of Health Services' (DHS) to utilize USC Subject Matter Experts (SME) for a maximum five-year period through June 30, 2018 to participate in the design, build and implementation of the DHS' electronic health record system known as ORCHID; and e) increase the overall maximum annual obligation of the MSAA from $126,703,786 to $134,885,834 for the period beginning July 1, 2013.

3. Delegate authority to the Director of Health Services (Director), or his designee, to execute future MSAA Amendments to enable USC providers to assign "eligible professional" (EP) incentive payments available under the HITECH Act to DHS and permit a one-time only reimbursement, up to $1,500 per EP, either to USC for payment to the EP, or to directly each EP, to be applied toward the purchase of an electronic device and other DHS-approved technology.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

Approval of the first recommendation is necessary to comply with Los Angeles County Section 2.121.420, as amended on November 21, 2006, whereby contracting for physician services is allowed upon a Board determination that the use of independent contractors is more feasible than the use of County employees. The Department has evaluated the Agreement's physician services, and recommends the Board's determination thereof.

Approval of the second recommendation will amend the MSAA to increase the volume of physician services and adjust the staffing levels and costs based on current service needs, as described below:

Additional Purchased Services

Anesthesiologists. In anticipation of an initial increase to the number of surgeries performed under the Affordable Care Act (ACA), LAC+USC MC plans to implement longer hours for its Operating Rooms in order to increase patient access and capacity. Additional anesthesiologists are needed to maximize surgical capacity and throughput by reducing the number of surgical overruns, delays, and cancellations resulting from a lack of such specialists. It also has the added benefit of reducing the number of denied days and clinical risks resulting from surgical delays and cancellations, and reducing the extensive backlog of outpatient and inpatient surgical procedures. DHS is requesting to add anesthesiologists (2.0 Full Time Equivalents or FTEs) at a total annual cost of $758,318.

Radiologists. LAC+USC MC's Department of Radiology plays an important role by meeting the clinical demands for timely reads of diagnostic scans by a radiologist. An additional radiologist is needed to increase the read capacity to support the diagnostic

needs of DHS facilities and participating Community Partners, and update the Department of Radiology's standards, policies and protocols accordingly. DHS is requesting to add a radiologist (1.0 FTE) at an annual cost of $412,189.

Psychiatrists. Due in part to the increasing number of AB109 parolees who require emergency psychiatric services combined with an increasing general caseload volume, LAC+USC MC's Psychiatric Emergency Services (PES) is currently understaffed. To ensure the provision of safe, efficient, and high-quality psychiatric care, the Department is proposing to add psychiatrists (43.0 FTEs) to the Agreement at a total annual cost of $792,0001,056,000 ~~(3.0 FTE of additional purchased service and 1.0 FTE through attrition~~. The contract cost for the additional psychiatrists will be offset from AB 109 funds (available amount unknown at this time) based on claims submitted by LAC+USC MC.

Attrition. The MSAA provides that upon the attrition of a County-employed physician, the Director may either hire a replacement or direct USC to provide such services using University physicians. Since FY 2009-10, DHS had directed USC to provide such services for various specialties using under-expended Agreement funding to cover the cost. With full implementation of Addendum A services, such funds are no longer available. DHS is proposing to continue the purchased services of various specialists 19.5 ~~18.5~~ FTEs, ~~excluding the 1.0 FTE re-purposed to PES as set forth in the above paragraph)~~ at a total annual cost of $4,947,384 ~~4,683,384~~.

Physician Pay Plan. In 2008, the Physician Pay Plan was offered to County physicians who were receiving a compensation from USC. County physicians were given the option to receive all of their salary from either the University, or the County under the Pay Plan. Physicians were also were given the option to remain "status quo" and continue to receive compensation from both parties. The majority of these physicians opted to forgo their USC salary and instead receive such compensation from the County under the Pay Plan. Overall, the net effect of these actions has reduced the contract maximum obligation need by $1,482,583.

ORCHID SMEs. The implementation of ORCHID requires each of the DHS facilities to appoint SMEs from various disciplines to participate in the design, build, and implementation. Each SME will assist in the analysis of current clinical processes, identification of best practices, workflow redesign, process standardization and change management, risk identification and mitigation, testing and validation, education and training and implementation support. DHS determined it was beneficial for USC MSAA physicians to participate as SMEs with the DHS SMEs in the ORCHID implementation process. USC SME participation is outside of the MSAA Purchased Services. Pursuant the recommended Amendment, DHS will reimburse USC for those physicians serving as SMEs for the duration of the ORCHID project based on an all-inclusive hourly rate of $150, as well as up to $25,000 to cover SME traveling expenses to participate in

ORCHID project meetings at the EHR vendor facilities in Kansas City, Missouri The Amendment allows for an annual payment to USC not to exceed $3,000,000 for the USC SME physicians' participation, which shall not exceed a total of 20,000 hours annually. Reimbursement of travel expenses for the USC SMES will be will be subject to the dollar limits on allowable travel expenses for County employees and based on presentation of receipts.

Reduced Purchased Services

On November 26, 2012, a University physician, a Senior Pathologist, officially transferred back to the County. As a result, DHS is requesting to delete a Senior Pathologist (1.0 FTE) from the Agreement along with the annual cost of $270,260.

EPs

Approval of the third recommendation will enable the Director, or his designee, to amend the existing MSAA to require USC providers to assign or re-assign their EP incentive payment to the County/DHS to provide needed funding for the ORCHID implementation. Under the HITECH Act, each USC provider utilizing ORCHID and demonstrating "meaningful use" could be eligible to receive up to $64,000 in incentives. Approval of the recommendation will also permit DHS to use up to $1,500 of this incentive to help fund the purchase of an electronic device and other DHS-approved technology for each USC EP who assigns their incentive payments to County/DHS, on a one-time only basis during the term of the MSAA. These actions are consistent with the Board's prior approval of delegated authority to DHS to amend other agreements to ensure assignment of EP incentives and reimbursement for qualified technology purchases up to $1,500.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum annual County obligation for LAC+USC MC under the Amendment in Fiscal Year (FY) 2013-14 will be $134,885,834, an increase of $8,182,048 from the previous fiscal year's maximum obligation of $126,703,786. Funding will be requested in the DHS' FY 2013-14 Supplemental Budget Resolution Budget Request. The cost of the additional purchased services and attrition will be offset by the reduction of vacant budgeted positions, AB109 revenue, physician pay plan adjustments, and resources.

The specific funding for the USC SME participation in ORCHID implementation was included in the total ORCHID project amount as part of the SME cost.

The incentive payments that DHS would receive under the ACA for each EP who assigns their EP incentive payment to DHS will offset the one-time only $1,500 maximum per individual reimbursement to each EP for the purchase of DHS-approved electronic devices or other technologies.

Funding for future years will be requested as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS entered into the current MSAA with USC August 1, 2006 through June 30, 2007, with a one-year automatic extension at the end of each contract year. The term of the current Agreement is for a rolling five-year term unless either party serves notice of non-renewal to the other party, in which case the MSAA would expire in four years. The MSAA was subsequently amended to accommodate the Replacement Facility for the LAC+USC MC, adjust staffing levels and provide additional compensation to retain current physician staffing, and add additional purchased services and funding to meet LAC+USC MC patients' needs and ensure full compliance with accreditation standards.

County Counsel has advised that the portion of the Agreement related to academic and patient care service are not subject to the provisions of County Code Chapter 2.121, Contracting with Private Business (Proposition A).

The portion of the Agreement relating to the ORCHID SMEs contains provisions that enable termination of that portion of the Agreement by either party upon notice of non-renewal ninety 90 days prior to the end of the MSAA contract year.

County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended Amendment adjusts the staffing levels in preparation of the projected increase in utilization under ACA implementation, and enables access to USC SMEs to assist the Department with its implementation of ORCHID.

Respectfully submitted,

For Mitchell H. Katz, M.D.
Director

MHK:ck

Enclosure

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Contract No. 75853

AFFILIATION AGREEMENT

Amendment No. 6

THIS AMENDMENT is made and entered into this 14th day of June, 2013,

by and between COUNTY OF LOS ANGELES (hereafter "County")

and THE UNIVERSITY OF SOUTHERN CALIFORNIA (hereafter "University").

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated August 29, 2006, as amended by Amendment to the Affiliation Agreement dated November 14, 2008, Amendment No. 1 dated November 25, 2008, Amendment to Affiliation Agreement dated November 14, 2008, Amendment No. 3 dated April 19, 2011, Amendment No. 4 dated June 28, 2011, and Amendment No. 5 dated November 13, 2012, further identified as County Agreement No. 75853 (collectively, hereafter "Agreement");

WHEREAS, it is the desire of the parties hereto to amend the Agreement and add Addendum A-5 and Addendum A-5-a as described hereafter;

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties; and

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2013.

2. Any reference in the Agreement to Addendum A, A-1, A-2, A-3, or A-4 shall also refer to Addendum A-5, as appropriate.

3. Addendum A-5 shall be added to the Agreement, attached hereto and incorporated herein by reference.

75853 Supplement No. 5

4. Addendum A-5-a shall be added to the Agreement, attached hereto and incorporated herein by reference.

5. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full effect.

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and seal of said Board to be hereto affixed, and attested by the Executive Officer thereof, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month and year first above written.

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

JUN 18 2013

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

SACHI A. HAMAI,
Executive Officer Board
of Supervisors of the
County of Los Angeles

By _____
Deputy

JUN 18 2013

UNIVERSITY OF SOUTHERN CALIFORNIA
Contractor

By _____ 6-14-13
Todd Dickey

Title Senior Vice President, Administration
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
County Counsel

By _____
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS

25 JUN 18 2013

SACHI A. HAMAI
EXECUTIVE OFFICER

75853 Supplement No. 5

USC ADDENDUM A-5
Purchased Services

Contract Year Ending June 30, 2014

A.1 General. Payment for Purchased Services will be made by County to University in the amounts set forth in Section A.3 below and Addendum A-5-a attached hereto and incorporated herein by reference. Payment for Purchased Services shall be made in quarterly installments, each payable on the first business day of each Contract Year quarter. In addition, if County requests increases in the volume of any Purchased Services identified in this Addendum A or Addendum A-5-a, County will pay for such services in advance on a quarterly basis. University is not obligated to provide such supplemental services until University receives payment from County for those services. Except with regard to additional Purchased Services provided by University pursuant to Section A.2.4.3 *Attrition of County-Employed Physicians*, any new services which the Parties agree to commence during the Contract Year, of a nature not set forth in this Addendum A and Addendum A-5-a, will be provided pursuant to an amendment or separate agreement between the Parties, subject to the approval of the Governing Board; such new services will be taken into account in revising Addendum A for the next Contract Year. Any such revisions to this Addendum A and Addendum A-5-a shall not take effect without a properly executed amendment.

A.2 Purchased Services. University shall provide the following Purchased Services during the Contract Year beginning July 1, 2013 and ending June 30, 2014 . The type and volume of Purchased Services provided during the Contract Year shall continue on an annualized University Personnel FTE basis, as provided by University Personnel during the prior Contract Year. With the exception of Subject Matter Expert Services set forth in Addendum A-5-a, all other Purchased Services shall be provided at the same overall level during the prior Contract Year unless otherwise expressed in this Addendum A.

A.2.1 Clinical Services. Except for those services which may be provided by persons other than University Personnel, University shall provide those clinical services sufficient to address the goals and responsibilities set forth in §5.4.

A.2.2 Non-Clinical Academic and Administrative Services. Except as provided by persons other than University Personnel, University shall provide academic and management services sufficient to address the goals and responsibilities set forth in §§ 5.3 and 5.5, respectively, including Subject Matter Expert services set forth in Addendum A-5-a .

A.2.3 Research. The Parties understand and agree that no funds paid under this Agreement shall be used to pay for non-clinical research. If it is determined that any funds are used to pay for non-clinical research, University shall reimburse County such amount.

A.2.4 Volume of Purchased Services. Until measures are developed to more accurately define the volume of Purchased Services, the Parties agree that the volume of all services will be measured on the basis of full time equivalents (FTEs) for physicians and other University Personnel.

A.2.4.1 Intentionally omitted.

FTE COUNT

	Physician and Dentist FTEs*	Non-Physician FTEs**	Total FTEs
Base Contract as of Contract Year 2013	595.75	81.75	677.50
New Contract Year 2014	34.50	0	34.50
Total	**630.25**	**81.75**	**712.00**

*****The FTEs include a fraction of the effort of 9 direct County-paid physicians who receive a stipend from University (to be verified by the Hospital).

**The FTEs include Intra-Operative Monitoring (IOM) Technicians. University shall continue to provide IOM Technicians effective July 1, 2013 at the same rates set forth in Amendment No. 5 of this Agreement, and annually thereafter, unless University provides written notice to Director by February 15 to request changes effective July 1 of that same calendar year. County may terminate the FTEs related to IOM Technicians upon 90 days prior written notice.

A.2.4.2 *Allocation of FTEs*. The allocation of University Personnel FTEs among Departments may be changed upon written agreement of the Chief Medical Officer, CEO and University Representative that such reallocation optimizes the use of personnel in the performance of this Agreement.

A.2.4.3 *Attrition of County-Employed Physicians*. Upon attrition of a County-employed physician in Primary County Facilities, Director may (1) hire a replacement or (2) direct University, for the remainder of the Contract Year to provide the services previously provided by such County physician through University-employed physicians, which shall constitute additional Purchased Services under this Agreement for which University shall be compensated during the Contract Year in addition to the contract maximum amount set forth in this Addendum A.

A.2.4.4 Intentionally omitted.

A.3 Payment for Purchased Services. County shall compensate University as set forth below.

	Contract Year 2013 (annualized)
Contract Maximum Amount (from MSOA Addendum A-4)	**126,703,786**

/

Additional Funding Needed for Current Services:

	ADDITIONAL FTEs	
1.	Anesthesiologist (2.0 FTE)	758,318
2.	Radiologist (1.0 FTE)	412,189
3.	Psychiatrist (3.0 FTE)	792,000
4.	Various Specialists (not to exceed 10.0 FTE)* (EHR Subject Matter Experts)	3,025,000
	*Effective 7/1/2013 through 6/30/2018 unless sooner cancelled or terminated as provided under Paragraph 8.1 of this Agreement.	
5.	Various University Physicians to replace County-employed Physicians as a result of attrition (19.5 FTE)	4,947,384
	Subtotal (35.5 FTE)	**9,934,891**
	DELETED FTE	
	Senior Pathologist (1.0 FTE)	(270,260)
	Subtotal (1.0 FTE)	**(270,260)**
	PHYSICIAN PAY PLAN ADJUSTMENT	**(1,482,583)**

Contract Maximum Amount (Contract Year 2014) **134,885,834**

A.4 Volume of Purchased Services.

A.4.1. Academic Purchased Services. During the term of this Agreement, Academic Purchased Services will be performed by Faculty in accordance with the requirements of this Agreement. The parties agree during the Contract Year to work together to develop a new methodology for determining payments for the provision of Academic Purchased Services under this Agreement.

A.4.2. Academic and Clinical Administrative Purchased Services. During the term of this Agreement, University shall provide Academic and Clinical Administrative Purchased Services as needed to support the Training Programs in accordance with the requirements of this Agreement. The Parties agree during the Contract Year to work together to develop a new methodology for determining payments for the provision of University Academic and Clinical Administrative Purchased Services under this Agreement.

A.4.3. Mission Support. County is committed to promoting medical education in its community, as reflected through County's affiliation with University and County's participation in graduate medical education training programs accredited by the Accreditation Council for Graduate Medical Education. The Parties agree during the Contract Year to work together to develop a methodology for providing mission support to University.

A.5 **Community-Based Health Services Planning.** University agrees to participate in the County's community based planning efforts. These planning efforts include but are not limited to: resizing the breadth and depth of primary and specialty care programs to meet local community needs, disease burden and public health initiatives; resizing the breadth and depth of tertiary and quaternary services to fit effectively within system-wide DHS clinical programs; expansion of outpatient diagnostic and therapeutic programs at Hospital and other community–based sites; sizing ACGME, ADA and other allied health programs in concert with service delivery planning; and developing, implementing and reporting evaluation metrics for the quality and efficiency of the service delivery program.

A.6 **Replacement Hospital Transition Planning.** County agrees to participate with the University to maximize collaborative planning for the transition to the Hospital replacement facility during the term of this Addendum. Through such planning, County agrees to provide adequate office space, on-call rooms, and other support space for University administration, clinical service, and teaching in the Hospital replacement facility.

County also agrees to make best efforts to ensure the continuing viability of University Training Programs in the Hospital replacement facility. Pursuant to section 2.6.1 of this Agreement, University will notify County of any matters within the control of County in transitioning to the Hospital replacement facility that to the University's knowledge may compromise accreditation of any University Training Program. In the event County receives such notice, County will cooperate with University to make all reasonable efforts to retain accreditation. The parties understand and acknowledge that County has a continuing obligation to provide adequate non-physician staffing support pursuant to section. 3.3.4 of the Agreement.

A.7 **Faculty Teaching Incentive Fund**. Facility JPO Committee will establish annual awards for excellence in teaching to be awarded to Faculty. Faculty awardees and the amount of the awards will be determined by the Facility JPO based on written criteria to be jointly developed by University and County. In developing written criteria, University and County shall include resident and medical student participation as necessary criteria. Parties agree to equally finance this Incentive Fund, with each party contributing $25,000 annually.

A. 8 **Primary County Facilities**. Those facilities listed in Exhibit 2 shall constitute the Primary County Facilities where Purchased Services may be performed.

A.9 **Information Physician Workload and Productivity.** The Parties shall work

collaboratively to achieve both the clinical and operational goals as identified in the Hospital's mission and strategic plan. These include both short and long range goals, which will be refined and updated on an annual basis as part any revisions to this Addendum. To address a long range goal of improving information on attending staff workload and productivity, the parties agree to implement an initial two part solution:

A.9.1 Amion Physician Scheduling. The Hospital shall provide the Amion electronic

attending staff scheduling program for use by University. Within six months of providing the University access to Amion, or within six months of the execution of this Addendum, whichever is later, and in accordance with a timetable established by University and accepted by County, the University shall install and operate the Amion electronic attending staff scheduling program in a manner that identifies physicians in all clinical departments providing Purchased Services at Hospital each day (the "Hospital Schedules"). Hospital will have online access to the Hospital Schedules through Amion.

A .9.1.1The University shall be responsible for the input, security and access of all data into Amion. To ensure accuracy, the University shall update physician scheduling data into Amion on not less than a daily basis and will periodically validate Hospital Schedules.

A.9.1.2 Upon request of the County, the University shall verify the accuracy of physician schedules in Amion as compared to actual physicians who have worked and the amount of hours worked by such physicians. The above verification may include one, several or all departments/services in the Hospital.

A.9.2 The parties acknowledge that the Hospital and University have completed three Memoranda of Understanding to measure performance and productivity of Purchased Services for the Harris-Rodde Specialty Clinics Coverage, Echocardiography and Radiation Oncology, anticipated to be executed by the parties within one month of execution of this Addendum. Hospital and University mutually agree to work together to develop additional Memoranda to measure performance and productivity for other major clinical Purchased Services as agreed by the Parties. The Parties shall use good faith efforts to complete and execute such Memoranda within twelve months of execution of this Addendum.

The Parties shall develop a mutually agreed upon system to track compliance with the performance and productivity goals identified in each Memorandum of Understanding (the "Tracking System"). When Hospital has reasonably determined that the performance and productivity goals under one (or more) Memorandum have not been met by University based on the data from the Tracking System, the Hospital shall notify the University in writing within twenty (20) days of such determination (the "Notice"). The Notice shall be delivered to the Office of the Dean of the Keck School of Medicine, with a copy to the Office of the General Counsel. The Notice shall identify the specific performance and productivity goal by type and amount of unmet services, as compared to the performance and productivity goal(s) under the applicable Memorandum as well as Hospital's efforts to correct any Hospital issues related to the performance and productivity goal(s) at issue.

Within thirty (30) business days of receiving the Notice from the Hospital, the University shall submit a corrective action plan to the Hospital which sets forth the specific action(s) to be taken to meet the performance and productivity goal(s) and time period for completion of the corrective action plan. The Parties will work together to modify the corrective action plan to address each Party's concerns.

Disputes about each Party's compliance with the corrective action plan will be reviewed by an independent arbitrator selected by the Parties. The arbitrator's fees will be equally borne by the Parties. If the arbitrator determines that, solely due to the acts or omissions of University, University has not implemented in good faith the material elements of the corrective action plan within the time period specified in the corrective action plan agreed to by the Parties, the Hospital may deduct from payment to be made to the University the Hospital's actual and reasonable additional cost to provide the unmet services that directly result from such failure to meet the performance and productivity goals (except with respect to any goal established for new patients or new visits) through an alternative arrangement.

To the extent that the Parties desire University to provide services in excess of those established by the performance and productivity goals, they may increase those goals and provide for additional payment related to such services to University through an administrative amendment signed by both Parties, provided that such additional payment does not exceed the Contract Maximum Amount provided in Section A.3 of Addendum A. To the extent that payment for such additional services would cause total payments due under this Addendum to exceed the Contract Maximum Amount, the Parties acknowledge that compensation may only be made for such additional services after the Governing Board approves a formal amendment to this Addendum A authorizing such supplemental services.

A.9.3. Medical Record Documentation Performance Goals**.** The parties acknowledge the importance of accurate and timely documentation of patient medical information to facilitate patient treatment, care and services, particularly in the postgraduate physician teaching environment of the Hospital. Such proper documentation is reflected in policies and standards applicable to the University, including, without limitation, the standards set forth by the Joint Commission (formerly defined as "JCAHO"), and policies issued by the County Department of Health Services. In addition to other compliance obligations, the parties seek to emphasize compliance with the following:

A.9.3.1 *Joint Commission*. The Parties agree to work together to maintain a medical record delinquency rate at or better than the full compliance threshold set forth by Joint Commission (IM 6.10; EP 11 “The medical record delinquency rate averaged from the last four quarterly measurements is not greater than 50% of the average monthly discharge (AMD) rate and no quarterly measurement is greater than the AMD rate.”). To that end, the University agrees to work with County toward compliance by ensuring that physicians meet this compliance threshold with respect to the physician components of the medical record. For purposes of this section, a delinquent medical record is defined as a medical record available to the Physician for review and is further defined by Hospital Medical Staff Rules and Regulations.

A.9.3.2 *DHS Policy*. The University agrees to work toward a 90% threshold compliance rate for the following components of DHS Policy 310.2, Supervision of Residents, or as subsequently amended by DHS, by ensuring that physicians meet this compliance threshold regarding the physician components of the medical records and activities which are set forth below. References to the specific provision of DHS Policy 310.2 are in parentheses.

(4.1) An attending physician shall see and evaluate each patient prior to any operative procedure or delivery and shall document this evaluation in the medical record.

(4.2) An attending physician is responsible to assure the execution of an appropriate informed consent for procedures and deliveries with consent form and progress note documenting the consent discussion in the medical record.

(4.4.1) If the attending is present for the operative or invasive procedure or delivery, he/she must document in the medical record that he/she has evaluated the patient and authorizes the procedure.

(4.4.2) If the attending physician is not present for the operative or invasive procedure or delivery, the supervisory resident shall document in the medical record that he/she has discussed the case with the attending and the attending authorizes the resident to proceed.

(4.5) An attending physician must assure an operative or procedure note is written or dictated within 24 hours of the procedure and shall sign the record of operation ("green sheet") in all situations for which direct attending physician supervision is required.

(5.1) An attending physician is responsible for supervision of the resident and appropriate evaluation of the patient for each emergency department visit.

(5.2) An attending physician or supervisory resident shall review and sign the patient's record prior to disposition.

(7.1) An attending physician shall see and evaluate each inpatient within 24 hours of admission and shall co-sign the resident's admission note or record his/her own admission note within 24 hours.

(7.2) An attending physician shall see and evaluate the patient at least every 48 hours and shall ensure that the resident includes in the progress note that he/she has discussed the case

with the attending or the attending physician shall record his/her own note at least every 48 hours.

(7.3) An attending physician shall discuss the discharge planning with the resident. The resident shall document in the medical record the discussion of the discharge plan and the attending physician concurrence with the discharge plan prior to the patient's discharge, or the attending shall record his/her own note.

(8.1) An attending physician or supervisory resident shall discuss every new patient with the resident physician within 4 hours of admission of each such patient to the Intensive Care Unit. The resident shall document this discussion with the attending physician.

(8.2) An attending physician shall see and evaluate the patient within 24 hours after admission to the Intensive Care Unit, discuss this evaluation with the resident and document this evaluation and discussion in the medical record.

(8.3) An attending physician shall see and evaluate all admitted patients at least daily following admission and discuss this evaluation with the resident. The attending physician shall ensure that the resident includes in the progress note that he/she has discussed the case with the attending, or the attending physician shall record his/her own note to that effect.

The parties acknowledge that resident compliance of DHS policy requires that each party satisfy their respective obligations, with the Hospital employing residents, and the University employing the Faculty responsible for the oversight/teaching of residents. To that end, the responsibilities of the University under this Agreement shall include proper teaching/instruction of the requirements of DHS policy as set forth in this section and appropriate incorporation of the requirements of this section with resident competency evaluation.

A.9.3.3 *Monitoring and Corrective Action Regarding Compliance with DHS Policy*. Monitoring and corrective action to determine and maintain compliance with Performance Goals set forth above shall be performed through the Hospital's existing quality assurance/quality improvement structure and committees, or as modified in accordance with Hospital bylaws, and rules and regulations.

In addition, within six months of the execution of this Addendum, the Hospital shall work with the University to establish a process for the University to monitor compliance with the Performance Goals set forth above.

A.9.4 Operative Procedures for Residents. The University shall ensure that each department develops within 60 days of execution of this Addendum, and updates as needed to reflect any changes, or on an annual basis, whichever is more, the following:

a list of residents designated as supervisory residents.

a list of operative procedures that may be conducted by a supervisory resident to be approved by the Medical Executive Committee and Network Executive Committee.

A.9.4.1 *Clinical Core Measures*. The Parties agree that quality patient care is critical to the missions of the University and the County. To that end, the University shall use best efforts to achieve 90% compliance with the following clinical core measures:

Heart Failure-3:ACEI or ARB for LVSD

Heart Failure-2: Evaluation of LVS function

Pneumonia 3b: Blood cultures performed in the Emergency Department prior to initial antibiotic received in the Hospital.

Pneumonia 6b: Initial antibiotic selection for community acquired pneumonia in immunocompetent patients – non ICU patients.

Pneumonia 6a: Initial antibiotic selection for community acquired pneumonia in immunocompentent patients – ICU patients

Acute MI - 1: Aspirin on arrival.

Acute MI - 2: Aspirin prescribed at discharge.

8 Acute MI - 3: ACEI or ARB for LVSD.

Acute MI - 5: Beta blocker prescribed at discharge.

Acute MI - 6: Beta blocker on arrival.

Acute MI - 8a: Median time to primary PCI received within 90 minutes of hospital arrival.

SCIP 1a: Prophylactic antibiotic received within one hour prior to surgical incision, overall rate.

SCIP 2a: Prophylactic antibiotic selection for surgical patients, overall rate.

SCIP 3a: Prophylactic antibiotics discontinued within 48 hours after surgery end time, overall rate.

A.9.4.2 *Monitoring and Corrective Action Regarding Compliance with Clinical Core Measures.* Monitoring and corrective action to determine and maintain compliance with Performance Goals set forth in Paragraph A.9.4.1 above shall be performed through the Hospital's existing quality assurance/quality improvement structure and committees, or as modified in accordance with Hospital bylaws, and rules and regulations.

USC ADDENDUM A-5-a

Subject Matter Expert Services

Contract Year Ending June 30, 2014

1.0 DESCRIPTION OF SERVICES: Subject Matter Experts (SMEs) shall provide services described hereunder to assist the DHS' Electronic Health Record (EHR) Project Manager in designing, building, and implementing a uniform, standardized, and fully integrated EHR solution across enterprise-wide care settings and standardized associated workflow processes through a single, unified data structure. For purposes of this Addendum A-5-a, "EHR Project Manager" shall mean the County employee designated by DHS to oversee the implementation of the County's EHR, otherwise known as ORCHID, including the services described herein.

2.0 ADDITION/DELETION OF SMES:

2.1 Addition of SMEs:

2.1.1 The EHR Project Manager shall identify and approve University Physicians with the expertise, availability, and interest to serve as SMEs under this Agreement. Such approval shall include the projected work effort required and expressed as an estimated number of hours required to complete the services under this Agreement not to exceed 20,000 hours annually (if 40 hours per week equals 1 Full Time Equivalent (FTE), then this approximates 10 FTEs for 50 weeks, or 400 hours per week for 50 weeks). All work effort will be recorded and reimbursed by the hour. Work effort by SMEs will vary in intensity over the course of the project. It is understood by all parties that hourly estimates for the purposes of reimbursement projections are intended to reflect average work effort over time, and is subject to change.

2.1.2 The EHR Project Manager shall provide University with prior written notice of intent to add a SME, including the projected number of hours, for the University's approval, which shall not unreasonably be withheld, or denial.

2.1.3 University shall approve or deny the EHR Project Manager's request in writing or via e-mail within 5 business days from the date of request by the EHR Project Manager.

2.1.4 Upon approval by University, the EHR Project Manager or his designee shall establish the specific tasks for each SME under the terms and conditions of this Agreement.

2.2 Deletion of SME's:

2.2.1 Either the EHR Project Manager or the University shall have the right to immediately remove SMEs assigned to perform the tasks hereunder provided that the party initiating the SME's removal provides prior written notification thereof to the other party.

2.2.2 Removals of the SME shall be considered for the convenience of the initiating party except when such removal is for:

2.2.2.1 SMEs deleted as a result of cancellation or completion of the Agreement.

2.2.2.2 SMEs deleted as a result of his or her death or incapacitating illness or injury.

2.2.2.3 SMEs deleted if the SME removes him or herself from the employ of the University or no longer desires to perform services under this Agreement.

3.0 SPECIFIC WORK REQUIREMENTS: During the term, and for purposes, of this Agreement, University Physicians, who serve as SMEs under the terms of this Addendum A-5-a, may provide all or some of the following services at any or all County health care facilities as determined by the EHR Project Manager:

3.1 Collaborate with the EHR Project Manager, EHR County vendor, and other stakeholders in designing, building, and implementing the EHR. SMEs will also be expected to collaborate with DHS employees and County-contracted physicians from other sites in standardizing clinical processes and operations at all DHS facilities.

3.2 Use their knowledge of patient care operations to provide professional expertise to guide the design of the EHR as well as assist in its implementation by actively participating on subject-specific “project teams” to implement EHR in various clinical settings such as the operating room, intensive care unit, and emergency room. Such projects may include, but not be limited to:

3.2.1 On-line clinical documentation by all care providers.

3.2.2 Electronic order entry for all care delivery orders.

3.2.3 Medical Coding for documentation.

3.2.4 Decision Support for documentation and electronic order. Entry.

3.2.5 Integrated ancillary systems (such as Pharmacy, Laboratory, and Radiology).

3.2.6 Management of the admission, discharge, and transfer (ADT) cycle including patient scheduling, registration and the Enterprise Master Patient Index (EMPI).

3.3 Possess excellent communication and leadership skills to utilize in championing EHR and representing their area of expertise across all of DHS.

3.4 Identify, contact, and recruit for participation, and solicit input from other thought leaders in their area of expertise across DHS.

3.5 Participate in DHS-wide clinical advisory committees and related bodies.

3.6 Convene and lead standardization committees and workgroups as necessary where no such body already exists.

3.7 Collaborate with Physicians and other County staff in their area of expertise from other County health care facilities facilities to standardize processes and operations. This includes, but is not limited to,:

3.7.1 Making application design decisions and documenting decision making using vendor supplied software tools.

3.7.2 Identify risks and conflicts and escalate them through EHR project leadership and governance as applicable.

3.7.3 Attend and participate at regular project team working meetings.

3.7.4 Attend and participate at other EHR ad-hoc meetings as necessary or as requested by EHR project leadership.

3.7.5 Attend and participate at on-site EHR project events at vendor facilities in Kansas City, Missouri.

3.7.6 Attend and participate in trainings requested by the EHR Project Manager.

3.8 Assist project team and overall EHR leadership with all aspects of the design, build, and implementation of the EHR, which includes but is not limited to,:

3.8.1 Analysis of current clinical processes.

3.8.2 Identification of best practices.

3.8.3 Workflow redesign.

3.8.4 Process standardization and change management.

3.8.5 Risk identification and mitigation.

3.8.6 Testing and validation.

3.8.7 Education and training.

3.8.8. Implementation support.

Implementation support may include on-site participation as an expert super-user during go-live activities at facilities throughout DHS during the course of phases implementation, and may require working a variety of shifts in a support role in different areas of the enterprise, including night shifts.

3.9 Assist with marketing and communication of EHR project status and updates to other clinicians and staff in the SME's regular work area and department, which includes but is not limited to,:

3.9.1 Leading by example by doing the work, showing commitment and demonstrating to others it can be done.

3.9.2 Helping others move through the cultural change process.

3.9.3 Sharing what they learn to professional colleagues.

3.9.4 Exhibiting enthusiasm, patience, and professionalism.

3.9.5 Communicating a consistent message to all staff; both clinical and non-clinical.

4.0 PAYMENT:

4.0.1 Physicians serving as SMEs under this Agreement will record the hours worked on the project on a time log using mechanisms to be determined by County.

4.0.2 EHR project team leaders, as designated by the EHR Project Manager, will review and reconcile time logs on a bi-weekly basis and provide the EHR Project Manager and USC contract administrator with time-log reports on a monthly basis.

4.0.3 County shall pay University quarterly in advance as set forth in Paragraph A.1 of Addendum A-5, and based on the estimated number of hours approved by the EHR Project Manager and rates set forth under Paragraph 5.0 below.

4.0.4 County shall adjust future payments based on a quarterly reconciliation of the actual number of hours worked by SMEs during the payment period.

4.0.5 University agrees that should any SME perform services not requested nor authorized by the EHR Project Manager, services shall be deemed to be a gratuitous effort on the part of Contractor and the physician, and neither party shall have any claim against County for such services.

4.0.6 In no event shall County be required to reimburse University for hours performed in this Addendum, which is covered by funding received by University for non-SME services provided under this Agreement or any other County agreement, or under other private or governmental entities.

4.07 The Parties understand and agree that the reimbursement provided by the County to University under this Addendum is intended to backfill those physicians

services that a SME would otherwise be providing to the County under the Medical School Affiliation Agreement (MSAA) between the Parties. To that end, University shall utilize the total amount of the reimbursement received from the County for the actual FTE services provided under this Addendum to purchase the equivalent amount of FTEs for the provision of Purchased Services under the MSAA.

5.0 RATE SCHEDULE

5.0.1 Services shall be compensated at the all-inclusive rates of $150 per hour, notwithstanding Paragraph 5.0.2 below.

5.0.2 County shall make travel arrangements and pay for the SME's airfare and hotel accommodations for on-site EHR project events at County's EHR vendor facilities in Kansas City, Missouri. During such events, County shall reimburse University for other travel expenses in accordance with County's Travel Reimbursement Guidelines, Attachment 1, attached hereto and incorporated herein by reference. The total County and University expenses for these events shall not exceed $25,000 during FY 2013-14.

6.0 TERM: The term of services provided under Addendum A-5-a shall be effective July 1, 2013, and shall continue in full force and effect through June 30, 2018, unless sooner canceled or terminated, as provided in Paragraph 8.1 of this Agreement. Notwithstanding the foregoing, the County may terminate this Addendum for convenience at any time upon six (6) months prior written notice to the University.